
SENATE BILL No. 7

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-2.5-5-42.

Synopsis: Sales tax holiday for school supplies. Provides a sales tax exemption for school supplies, school art supplies, school computer supplies, and school instructional material that are purchased during the four day period beginning on the first Thursday in August.

Effective: January 1, 2008.

Alting

January 8, 2007, read first time and referred to Committee on Tax and Fiscal Policy.

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Introduced

First Regular Session 115th General Assembly (2007)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2006 Regular Session of the General Assembly.

SENATE BILL No. 7

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 6-2.5-5-42 IS ADDED TO THE INDIANA CODE
2 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE
3 JANUARY 1, 2008]: **Sec. 42. (a) This section applies to transactions**
4 **occurring during the four (4) day period beginning at 12:01 a.m. on**
5 **the first Thursday in August and ending at 11:59 p.m. on the**
6 **following Sunday.**

7 **(b) As used in this section, "school art supply" means an item**
8 **commonly used by a student in a course of study for artwork. The**
9 **term is limited to the following:**

10 **(1) Clay and glazes.**

11 **(2) Paints.**

12 **(3) Paintbrushes for artwork.**

13 **(4) Sketch and drawing pads.**

14 **(5) Watercolors.**

15 **(c) As used in this section, "school computer supply" means an**
16 **item commonly used by a student in a course of study in which a**
17 **computer is used. The term is limited to the following:**

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- 1 (1) Computer printers.
- 2 (2) Computer storage media.
- 3 (3) Handheld electronic schedulers, excluding devices that are
- 4 cellular phones.
- 5 (4) Personal digital assistants, excluding devices that are
- 6 cellular phones.
- 7 (5) Printer supplies for computers, including printer paper
- 8 and printer ink.
- 9 (d) As used in this section, "school instructional material"
- 10 means written material commonly used by a student in a course of
- 11 study as a reference and to learn the subject being taught. The
- 12 term is limited to the following:
 - 13 (1) Reference books.
 - 14 (2) Reference maps and globes.
 - 15 (3) Textbooks.
 - 16 (4) Workbooks.
- 17 (e) As used in this section, "school supply" means an item
- 18 commonly used by a student in a course of study. The term is
- 19 limited to the following:
 - 20 (1) Binders.
 - 21 (2) Blackboard chalk.
 - 22 (3) Book bags.
 - 23 (4) Calculators.
 - 24 (5) Cellophane tape.
 - 25 (6) Compasses.
 - 26 (7) Composition books.
 - 27 (8) Crayons.
 - 28 (9) Erasers.
 - 29 (10) Folders, including expandable, pocket, plastic, and
 - 30 manila folders.
 - 31 (11) Glue, paste, and paste sticks.
 - 32 (12) Highlighters.
 - 33 (13) Index cards.
 - 34 (14) Index card boxes.
 - 35 (15) Legal pads.
 - 36 (16) Lunch boxes.
 - 37 (17) Markers.
 - 38 (18) Notebooks.
 - 39 (19) Paper, including loose leaf ruled notebook paper, copy
 - 40 paper, graph paper, tracing paper, manila paper, colored
 - 41 paper, poster board, and construction paper.
 - 42 (20) Pencil boxes and other school supply boxes.

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- 1 **(21) Pencil sharpeners.**
2 **(22) Pencils.**
3 **(23) Pens.**
4 **(24) Protractors.**
5 **(25) Rulers.**
6 **(26) Scissors.**
7 **(27) Writing tablets.**
8 **(f) A retail transaction involving:**
9 **(1) a school supply;**
10 **(2) a school art supply;**
11 **(3) school instructional material; or**
12 **(4) a school computer supply;**
13 **is exempt from the state gross retail tax during the period**
14 **described in subsection (a).**
15 **(g) The department may adopt rules under IC 4-22-2 and**
16 **guidelines to implement this section. This section shall be**
17 **implemented in a manner consistent with the provisions of the**
18 **Streamlined Sales and Use Tax Agreement, including, but not**
19 **limited to, matters related to layaway sales, rain checks, returns,**
20 **and exchanges.**

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